



General Assembly

January Session, 2013

## ***Substitute Bill No. 5569***



### ***AN ACT ESTABLISHING A GOVERNANCE STRUCTURE FOR THE STATE'S DEEP WATER PORTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective July 1, 2013*) (a) There is hereby  
2       established and created a body politic and corporate, constituting a  
3       public instrumentality and political subdivision of the state of  
4       Connecticut established and created for the performance of an  
5       essential public and governmental function, to be known as the  
6       Connecticut State-Wide Port Authority. The authority shall not be  
7       construed to be a department, institution or agency of the state.

8       (b) The powers of the authority shall be vested in and exercised by a  
9       board of directors, which shall consist of fifteen members, appointed  
10      as follows: (1) (A) The State Treasurer or the Treasurer's designee, (B)  
11      the Commissioner of Transportation or the commissioner's designee,  
12      (C) the Commissioner of Economic and Community Development or  
13      the commissioner's designee, and (D) the Commissioner of Energy and  
14      Environmental Protection or the commissioner's designee, each  
15      serving ex officio; (2) one appointed by the speaker of the House of  
16      Representatives for a term of four years; (3) one appointed by the  
17      minority leader of the House of Representatives for a term of four  
18      years; (4) one appointed by the president pro tempore of the Senate for  
19      a term of four years; (5) one appointed by the minority leader of the  
20      Senate for a term of four years; (6) one appointed by the chief executive

21 officer of the city of New Haven; (7) one appointed by the chief  
22 executive officer of the city of Bridgeport; and (8) one appointed by the  
23 chief executive officer of the city of New London. Thereafter, such  
24 members of the General Assembly and such chief executive officers  
25 shall appoint members of the board to succeed such appointees whose  
26 terms expire and each member so appointed shall hold office for a  
27 period of four years from the first day of July in the year of his or her  
28 appointment. The Governor shall appoint four members to the board  
29 as follows: (A) Two members for two years; and (B) two members for  
30 four years. Thereafter, the Governor shall appoint members of the  
31 board to succeed such appointees whose terms expire and each  
32 member so appointed shall hold office for a period of four years from  
33 July first in the year of his or her appointment. Appointed directors  
34 shall have business and management experience and shall include  
35 individuals who have experience and expertise in one or more of the  
36 following areas: (i) Financial planning, (ii) budgeting and assessment,  
37 (iii) marketing, (iv) master planning, (v) maritime trade, and (vi)  
38 transportation management.

39 (c) Appointed directors may not designate a representative to  
40 perform in their absence their respective duties under this section. Any  
41 appointed director who fails to attend three consecutive meetings of  
42 the board or who fails to attend fifty per cent of all meetings of the  
43 board held during any calendar year shall be deemed to have resigned  
44 from the board. Any vacancy occurring other than by expiration of  
45 term shall be filled in the same manner as the original appointment for  
46 the balance of the unexpired term.

47 (d) The board of directors of the authority shall appoint an executive  
48 director who shall not be a member of the board and who shall serve at  
49 the pleasure of the board and receive such compensation as shall be  
50 fixed by the board. The executive director shall have extensive  
51 experience in the development and management of multi-use port  
52 operations. The executive director shall be the chief administrative  
53 officer of the authority and shall direct and supervise administrative

54   affairs and technical activities in accordance with the directives of the  
55   board. The executive director shall approve all accounts for salaries,  
56   allowable expenses of the authority or of any employee or consultant  
57   thereof, and expenses incidental to the operation of the authority. The  
58   executive director shall perform such other duties as may be directed  
59   by the board in carrying out the purposes of sections 1 to 9, inclusive,  
60   of this act. The executive director shall be exempt from the classified  
61   service. The executive director shall attend all meetings of the board,  
62   keep a record of the proceedings of the authority and shall maintain  
63   and be custodian of all books, documents and papers filed with the  
64   authority and of the minute book or journal of the authority and of its  
65   official seal. The executive director may cause copies to be made of all  
66   minutes and other records and documents of the authority and may  
67   give certificates under the official seal of the authority to the effect that  
68   such copies are true copies, and all persons dealing with the authority  
69   may rely upon such certificates.

70       (e) Each director shall be entitled to reimbursement for such  
71   director's actual and necessary expenses incurred during the  
72   performance of such director's official duties.

73       (f) Directors may engage in private employment, or in a profession  
74   or business, subject to any applicable laws, rules and regulations of the  
75   state or federal government regarding official ethics or conflict of  
76   interest.

77       (g) Eight directors of the authority shall constitute a quorum for the  
78   transaction of any business or the exercise of any power of the  
79   authority. For the transaction of any business or the exercise of any  
80   power of the authority, and, except as otherwise provided in this  
81   section, the authority may act by a majority of the directors present at  
82   any meeting at which a quorum is in attendance.

83       (h) The board may delegate to eight or more directors such board  
84   powers and duties as it may deem necessary and proper in conformity  
85   with the provisions of this section and its bylaws.

86 (i) The appointing authority for any director may remove such  
87 director for inefficiency, neglect of duty or misconduct in office after  
88 giving the director a copy of the charges against the director and an  
89 opportunity to be heard, in person or by counsel, in the director's  
90 defense, upon not less than ten days' notice. If any director shall be so  
91 removed, the appointing authority for such director shall file in the  
92 office of the Secretary of the State a complete statement of charges  
93 made against such director and the appointing authority's findings on  
94 such statement of charges, together with a complete record of the  
95 proceedings.

96 (j) The authority shall continue as long as it has bonds or other  
97 obligations outstanding and until its existence is terminated by law.  
98 Upon the termination of the existence of the authority, all its rights and  
99 properties shall pass to and be vested in the state of Connecticut.

100 (k) Notwithstanding any provision of the general statutes, it shall  
101 not constitute a conflict of interest for a trustee, director, partner or  
102 officer of any person, firm or corporation, or any individual having a  
103 financial interest in a person, firm or corporation, to serve as a director  
104 of the authority, provided such trustee, director, partner, officer or  
105 individual shall abstain from deliberation, action or vote by the  
106 authority in specific respect to such person, firm or corporation.

107 (l) The Governor shall appoint the chairperson of the board, who  
108 shall serve for a term of four years. The board shall elect from its  
109 members a vice-chairperson and such other officers as it deems  
110 necessary. Vacancies among any officers shall be filled within thirty  
111 days following the occurrence of such vacancy in the same manner as  
112 the original selection. Said board shall establish bylaws to govern its  
113 procedures and shall appoint such committees and advisory boards as  
114 may be convenient or necessary in the transaction of its business.

115 (m) The initial members of the board may begin service  
116 immediately upon appointment, but shall not serve past the sixth  
117 Wednesday of the next regular session of the General Assembly unless

118 qualified in the manner provided in section 4-7 of the general statutes.  
119 Thereafter, all appointments shall be made with the advice and  
120 consent of both houses of the General Assembly, in the manner  
121 provided in section 4-19 of the general statutes.

122     Sec. 2. (*Effective July 1, 2013*) (a) The Connecticut State-Wide Port  
123 Authority shall have the duty, power and authority generally to  
124 coordinate port development, with a focus on private and public  
125 investments, pursue federal and state funds for dredging and other  
126 infrastructure improvements to increase cargo movement through  
127 Connecticut ports, market the advantages of such ports to the domestic  
128 and international shipping industry, coordinate the planning and  
129 funding of capital projects promoting the development of such ports  
130 and develop strategic entrepreneurial initiatives that may be available  
131 to the state, and specifically to:

132     (1) Develop an organizational and management structure that will  
133 best accomplish the goals of the authority concerning Connecticut  
134 ports;

135     (2) Create a code of conduct for the board of directors of the  
136 authority consistent with part I of chapter 10 of the general statutes;

137     (3) On or before December fifteenth each year, report, in accordance  
138 with the provisions of section 11-4a of the general statutes, to the  
139 Governor and the joint standing committees of the General Assembly  
140 having cognizance of matters relating to transportation, commerce and  
141 the environment, summarizing the authority's activities, disclosing  
142 operating and financial statements and recommending legislation to  
143 promote the authority's purposes;

144     (4) Adopt rules for the conduct of its business which shall not be  
145 considered regulations, as defined in subdivision (13) of section 4-166  
146 of the general statutes;

147     (5) Receive and accept aid or contributions from any source of  
148 money, property, labor or other things of value, to be held, used and

149 applied to carry out the purposes of sections 1 to 9, inclusive, of this  
150 act, subject to such conditions upon which such grants and  
151 contributions may be made, including, but not limited to, gifts or  
152 grants from any department, agency or instrumentality of the United  
153 States or this state for any purpose consistent with sections 1 to 9,  
154 inclusive, of this act;

155 (6) Enter into agreements with any department, agency, office or  
156 instrumentality of the United States or this state, including the office of  
157 the State Treasurer, to carry out the purposes of sections 1 to 9,  
158 inclusive, of this act;

159 (7) To the extent permitted under sections 1 to 9, inclusive, of this  
160 act, borrow money or secure credit on a temporary, short-term, interim  
161 or long-term basis;

162 (8) Issue bonds, bond anticipation notes and other obligations of the  
163 authority to the extent permitted under sections 1 to 9, inclusive, of  
164 this act, to fund and refund the same and provide for the rights of the  
165 holders thereof, and to secure the same by pledge of revenues, notes  
166 and mortgages of others;

167 (9) Acquire, lease, hold and dispose of real and personal property  
168 for its corporate purposes;

169 (10) Employ such assistants, agents and other employees, including  
170 a marketing manager with experience (A) in port market development  
171 and promotion, and (B) working with vessel operators, railroads, the  
172 shipping industry and the trucking industry, and to engage  
173 consultants and such other independent professionals as may be  
174 necessary or desirable to carry out its purposes in accordance with  
175 sections 1 to 9, inclusive, of this act and, except for such employees  
176 who are covered by collective bargaining agreements, to fix their  
177 compensation, and to provide technical assistance as provided in  
178 sections 1 to 9, inclusive, of this act;

179 (11) Maintain an office at such place or places as it may designate;

180       (12) Sue and be sued in its own name, and plead and be impleaded;

181       (13) Mortgage any property of the authority for the benefit of the  
182 holders of obligations issued by the authority;

183       (14) In connection with, or incidental to, the issuance or carrying of  
184 bonds, notes or other obligations of the authority, or acquisition or  
185 carrying of any investment or program of investment, enter into any  
186 contract which the authority determines to be necessary or appropriate  
187 to place the obligation or investment of the authority, as represented  
188 by the bonds, notes or other obligations, investment or program of  
189 investment and the contract or contracts, in whole or in part, on the  
190 interest rate, currency, cash flow or other basis desired by the  
191 authority, including, without limitations, contracts commonly known  
192 as interest rate swap agreements, currency swap agreements, forward  
193 payment conversion agreements, futures or contracts providing for  
194 payments based on levels of, or changes in, interest rates, currency  
195 exchange rates, stock or other indices, or contracts to exchange cash  
196 flows or a series of payments, or contracts, including, without  
197 limitation, interest rate floors or caps, options, puts or calls to hedge  
198 payment, currency, rate, spread or similar exposure or, contracts for  
199 the purchase of option rights with respect to the mandatory tender for  
200 purchase of bonds, notes or other obligations of the authority, which  
201 are subject to mandatory tender or redemption, including the issuance  
202 of certificates evidencing the right of the owner to exercise such option;

203       (15) In connection with, or incidental to, the issuance or carrying of  
204 bonds, notes or other obligations or entering into any of the contracts  
205 or agreements referred to in subdivision (14) of this subsection, enter  
206 into credit enhancement or liquidity agreements, with payment,  
207 interest rate, currency, security, default, remedy and other terms and  
208 conditions as the authority determines;

209       (16) Make and enter into all contracts and agreements necessary or  
210 incidental to the performance of its duties and the execution of its  
211 powers under sections 1 to 9, inclusive, of this act, including, but not

212 limited to, the granting of leasehold interests, concession, access and  
213 development rights and privileges, supplier, vendor, contractor and  
214 consultant contracts; and

215 (17) Do all acts and things necessary or convenient to carry out the  
216 purposes of sections 1 to 9, inclusive, of this act and chapter 242 of the  
217 general statutes and the powers expressly granted by sections 1 to 9,  
218 inclusive, of this act.

219 (b) To serve its purpose, the authority may:

220 (1) Have perpetual succession as a body politic and corporate and to  
221 adopt bylaws for the regulation of its affairs and the conduct of its  
222 business;

223 (2) Adopt an official seal and alter the same at pleasure;

224 (3) (A) Employ such assistants, agents and other employees as may  
225 be necessary or desirable; (B) establish all necessary or appropriate  
226 personnel practices and policies; and (C) engage consultants, attorneys  
227 and appraisers as may be necessary or desirable to carry out its  
228 purposes in accordance with this section;

229 (4) Invest in, acquire, lease, purchase, own, manage, hold and  
230 dispose of real property and lease, convey or deal in or enter into  
231 agreements with respect to such property on any terms necessary or  
232 incidental to carrying out the purposes of sections 1 to 9, inclusive, of  
233 this act, provided such transactions shall not be subject to approval,  
234 review or regulation by any state agency pursuant to title 4b of the  
235 general statutes or any other provision of the general statutes.  
236 Notwithstanding this subdivision, the authority shall not convey fee  
237 simple ownership in any land under its jurisdiction and control  
238 without the approval of the Properties Review Board and the Attorney  
239 General;

240 (5) Procure insurance against any liability or loss in connection with  
241 its property and other assets, in such amounts and from such insurers



242 as it deems desirable and to procure insurance for employees; and

243 (6) Account for and audit funds of the authority and funds of any  
244 recipients of funds from the authority.

245 Sec. 3. (NEW) (*Effective July 1, 2013*) The board of directors of the  
246 Connecticut State-Wide Port Authority shall adopt written procedures,  
247 in accordance with the provisions of section 1-121 of the general  
248 statutes, for: (1) Adopting an annual budget and plan of operations,  
249 including a requirement of board approval before the budget or plan  
250 may take effect; (2) hiring, dismissing, promoting and compensating  
251 employees of the authority, including an affirmative action policy and  
252 a requirement of board approval before a position may be created or a  
253 vacancy filled; (3) acquiring real and personal property and personal  
254 services, including a requirement of board approval for any  
255 nonbudgeted expenditure in excess of five thousand dollars; (4)  
256 contracting for financial, legal, bond underwriting and other  
257 professional services, including a requirement that the authority solicit  
258 proposals at least once every three years for each such service which it  
259 uses; (5) issuing and retiring bonds, bond anticipation notes and other  
260 obligations of the authority; (6) awarding loans, grants and other  
261 financial assistance, including eligibility criteria, the application  
262 process and the role played by the authority's staff and board of  
263 directors; and (7) the use of surplus funds to the extent authorized  
264 under sections 1 to 9, inclusive, of this act or other provision of the  
265 general statutes.

266 Sec. 4. (NEW) (*Effective July 1, 2013*) The board of directors of the  
267 Connecticut State-Wide Port Authority shall submit to the joint  
268 standing committees of the General Assembly having cognizance of  
269 matters relating to appropriations, commerce, the environment and  
270 transportation a copy of each audit of the authority conducted by an  
271 independent auditing firm, not later than seven days after the audit is  
272 received by said board of directors.

273 Sec. 5. (NEW) (*Effective July 1, 2013*) (a) The Connecticut State-Wide

274 Port Authority may authorize the issuance of bonds in one or more  
275 series and in principal amounts necessary to carry out the purposes of  
276 sections 1 to 9, inclusive, of this act. Such bonds shall be payable from  
277 all or a portion of the revenues of the authority, as may be specified in  
278 the proceedings authorizing such bonds, and may include, among  
279 other types of bonds, special purpose revenue bonds payable solely  
280 from revenues derived from special purpose facilities, bonds payable  
281 from particular sources of revenues and bonds payable in whole or in  
282 part from passenger or freight facility charges to the extent permitted  
283 under applicable federal law. The authority may request such  
284 assistance from the State Treasurer as may be necessary or desirable  
285 for the issuance by the authority of bonds to finance such projects and  
286 other improvements. The expense of such assistance shall be payable  
287 from the proceeds of such bonds and the State Treasurer may provide  
288 such assistance. The authority may appoint a finance or other  
289 committee of the board or one or more officers or employees to serve  
290 as the board's authorized delegate in connection with the issuance of  
291 bonds pursuant to this section.

292 (b) Bonds issued pursuant to this section shall be obligations of the  
293 authority and shall neither be payable from nor charged upon any  
294 funds other than the revenues of the authority pledged to the payment  
295 thereof, nor shall the state or any political subdivision thereof be  
296 subject to any liability thereon except to the extent of such pledged  
297 revenues. The issuance of bonds under the provisions of sections 1 to  
298 9, inclusive, of this act shall not directly or indirectly or contingently  
299 obligate the state or any political subdivision thereof to levy or to  
300 pledge any form of taxation whatever therefor or to make any  
301 appropriation for their payment. The bonds shall not constitute a  
302 charge, lien or encumbrance, legal or equitable, upon any property of  
303 the state or of any political subdivision thereof, except the property of  
304 the authority or the state mortgaged or otherwise encumbered under  
305 the provisions and for the purposes of sections 1 to 9, inclusive, of this  
306 act. The substance of such limitation shall be plainly stated on the face  
307 of each bond. Bonds issued pursuant to sections 1 to 9, inclusive, of

308 this act shall not be subject to any statutory limitation on the  
309 indebtedness of the state and such bonds, when issued, shall not be  
310 included in computing the aggregate indebtedness of the state in  
311 respect to and to the extent of any such limitation.

312 (c) The bonds referred to in this section may be executed and  
313 delivered at such time or times, shall be dated, shall bear interest at  
314 such rate or rates, including variable rates to be determined in such  
315 manner as set forth in the proceedings authorizing the issuance of the  
316 bonds, provide for payment of interest on such dates, whether before  
317 or at maturity, shall mature at such time or times not exceeding forty  
318 years from their date, have such rank or priority, be payable in such  
319 medium of payment, be issued in coupon, registered or book entry  
320 form, carry such registration and transfer privileges and be subject to  
321 purchase or redemption before maturity at such price or prices and  
322 under such terms and conditions, including the condition that such  
323 bonds be subject to purchase or redemption on the demand of the  
324 owner thereof, all as may be determined by the authority. The  
325 authority shall determine the form of the bonds, including any interest  
326 coupons to be attached thereto, the manner of execution of the bonds,  
327 the denomination or denominations of the bonds and the place or  
328 places of payment of principal and interest, which may be at any bank  
329 or trust company within or without the state. Prior to the preparation  
330 of definitive bonds, the authority may, under like restrictions, provide  
331 for the issuance of interim receipts or temporary bonds, with or  
332 without coupons, exchangeable for definitive bonds when such bonds  
333 have been executed and are available for delivery. If any of the officers  
334 whose signatures appear on the bonds or coupons cease to be officers  
335 before the delivery of any such bonds, such signatures shall,  
336 nevertheless, be valid and sufficient for all purposes, the same as if  
337 they had remained in office until delivery.

338 (d) Any bonds issued under the authority of sections 1 to 9,  
339 inclusive, of this act, may be sold at public sale on sealed proposals or  
340 by negotiation in such manner, at such price and at such time or times

341 as may be determined by the authority. The authority may pay from  
342 the proceeds of the bonds all costs and expenses which the authority  
343 may deem necessary or advantageous in connection with the  
344 authorization, sale and issuance thereof, including the cost of interest  
345 on any short-term financing authorized under subsection (b) of section  
346 6 of this act.

347 (e) The principal of and interest on any bonds issued pursuant to  
348 this section shall be secured by a pledge of the revenues out of which  
349 such bonds shall be made payable. They may be secured by a  
350 mortgage covering all or any part of a project from which the revenues  
351 so pledged may be derived or by a pledge of one or more leases, sale  
352 contracts or loan agreements with respect to such project or by a  
353 pledge of one or more notes, debentures, bonds or other secured or  
354 unsecured debt obligations of any lessee or contracting party under a  
355 loan agreement or sale contract or by a pledge of reserve and sinking  
356 funds established pursuant to the resolution authorizing the issuance  
357 of the bonds and any other funds and accounts, including proceeds  
358 from investment of any of the foregoing, established pursuant to this  
359 chapter or the proceedings authorizing the issuance of such bonds, and  
360 by moneys paid under a credit facility, including, but not limited to, a  
361 letter of credit or policy of bond insurance, issued by a financial  
362 institution pursuant to an agreement authorized by such proceedings.

363 (f) The proceedings under which the bonds are authorized to be  
364 issued pursuant to this section, and any mortgage given to secure the  
365 same, may, subject to the provisions of the general statutes, contain  
366 any agreements and provisions customarily contained in instruments  
367 securing bonds, including, but not limited to: (1) Provisions respecting  
368 custody of the proceeds from the sale of the bonds, including their  
369 investment and reinvestment until used for the cost of a project; (2)  
370 provisions respecting the fixing and collection of rents or payments  
371 with respect to the facilities of the authority and the application and  
372 use of passenger or freight facility charges; (3) the terms to be  
373 incorporated in the lease, sale contract or loan agreement with respect

374 to a project; (4) the maintenance and insurance of a project; (5) the  
375 creation, maintenance, custody, investment and reinvestment, and use  
376 of the revenues derived from the operation of the authority's facilities;  
377 (6) establishment of reserves or sinking funds, and such accounts  
378 thereunder as may be established by the authority, and the regulation  
379 and disposition thereof; (7) the rights and remedies available in case of  
380 a default to the bondholders or to any trustee under any lease, sale  
381 contract, loan agreement, mortgage or trust indenture; (8)  
382 reimbursement agreements, remarketing agreements, standby bond  
383 purchase agreements or similar agreements in connection with  
384 obtaining any credit or liquidity facilities including, but not limited to,  
385 letters of credit or policies of bond insurance and such other  
386 agreements entered into pursuant to section 3-20a of the general  
387 statutes; (9) provisions for the issuance of additional bonds on a parity  
388 with bonds theretofore issued, including establishment of coverage  
389 requirements with respect thereto; (10) covenants to do or to refrain  
390 from doing such acts and things as may be necessary or convenient or  
391 desirable in order to better secure any bonds or to maintain any federal  
392 or state exemption from tax of the interest on such bonds; and (11)  
393 provisions or covenants of like or different character from the  
394 foregoing which are consistent with the provisions of sections 1 to 9,  
395 inclusive, of this act, and which the authority determines in such  
396 proceedings are necessary, convenient or desirable in order to better  
397 secure the bonds or bond anticipation notes, or will tend to make the  
398 bonds or bond anticipation notes more marketable, and which are in  
399 the best interests of the state. The proceedings under which the bonds  
400 are authorized, and any mortgage given to secure the same, may  
401 further provide that any cash balances not necessary (A) to pay the  
402 cost of maintaining, repairing and operating the facilities of the  
403 authority, (B) to pay the principal of and interest on the bonds as the  
404 same shall become due and payable, and (C) to create and maintain  
405 reserve and sinking funds as provided in any authorizing resolution or  
406 other proceedings, shall be deposited into one or more specifically  
407 designated working funds to be held in trust by the authority and  
408 applied to future debt service requirements or other authority

409 purposes.

410 (g) In the discretion of the authority, bonds issued pursuant to this  
411 section may be secured by a trust indenture by and between the  
412 authority and a corporate trustee, which may be any trust company or  
413 bank having the powers of a trust company within or without the  
414 state. Such trust indenture may contain such provisions for protecting  
415 and enforcing the rights and remedies of the bondholders as may be  
416 reasonable and proper and not in violation of law, including covenants  
417 setting forth the duties of the authority in relation to the exercise of its  
418 powers pursuant to sections 1 to 9, inclusive, of this act, and the  
419 custody, safeguarding and application of all moneys. The authority  
420 may provide by such trust indenture for the payment of the proceeds  
421 of the bonds and the revenues from the operation of the authority's  
422 facilities to the trustee under such trust indenture or other depository,  
423 and for the method of disbursement thereof, with such safeguards and  
424 restrictions as it may determine. All expenses incurred in carrying out  
425 such trust indenture may be treated as a part of the operating expenses  
426 of the applicable project. If the bonds shall be secured by a trust  
427 indenture, the bondholders shall have no authority to appoint a  
428 separate trustee to represent them.

429 (h) In connection with the issuance of bonds to finance a project or  
430 to refund bonds previously issued by the authority or the state to  
431 finance a project, the authority may create and establish one or more  
432 reserve funds to be known as special capital reserve funds and may  
433 pay into such special capital reserve funds (1) any moneys  
434 appropriated and made available by the state for the purposes of such  
435 funds, (2) any proceeds of sale of notes or bonds for a project, to the  
436 extent provided in the resolution of the authority authorizing the  
437 issuance thereof, and (3) any other moneys which may be made  
438 available to the authority for the purpose of such funds from any other  
439 source or sources. The moneys held in or credited to any special capital  
440 reserve fund established under this section, except as hereinafter  
441 provided, shall be used solely for the payment of the principal of and

442 interest on, when due, whether at maturity or by mandatory sinking  
443 fund installments, on bonds of the authority secured by such capital  
444 reserve fund as the same become due, the purchase of such bonds of  
445 the authority, the payment of any redemption premium required to be  
446 paid when such bonds are redeemed prior to maturity; provided the  
447 authority shall have power to provide that moneys in any such fund  
448 shall not be withdrawn therefrom at any time in such amount as  
449 would reduce the amount of such funds to less than the maximum  
450 amount of principal and interest becoming due by reasons of maturity  
451 or a required sinking fund installment in the then current or any  
452 succeeding calendar year on the bonds of the authority then  
453 outstanding or the maximum amount permitted to be deposited in  
454 such fund by the Internal Revenue Code of 1986, or any subsequent  
455 corresponding internal revenue code of the United States, as from time  
456 to time amended, to permit the interest on said bonds to be excluded  
457 from gross income for federal tax purposes and secured by such  
458 special capital reserve fund, such amount being herein referred to as  
459 the "required minimum capital reserve", except for the purpose of  
460 paying such principal of, redemption premium and interest on such  
461 bonds of the authority secured by such special capital reserve  
462 becoming due and for the payment of which other moneys of the  
463 authority are not available. The authority may provide that it shall not  
464 issue bonds secured by a special capital reserve fund at any time if the  
465 required minimum capital reserve on the bonds outstanding and the  
466 bonds then to be issued and secured by the same special capital  
467 reserve fund at the time of issuance, unless the authority, at the time of  
468 the issuance of such bonds, shall deposit in such special capital reserve  
469 fund from the proceeds of the bonds so to be issued, or otherwise, an  
470 amount which, together with the amount then in such special capital  
471 reserve fund, will be not less than the required minimum capital  
472 reserve. On or before December first, annually, there is deemed to be  
473 appropriated from the state General Fund such sums, if any, as shall be  
474 certified by the chairman or vice-chairman of the authority to the  
475 Secretary of the Office of Policy and Management and the State  
476 Treasurer, as necessary to restore each such special capital reserve

477 fund to the amount equal to the required minimum capital reserve of  
478 such fund, and such amounts shall be allotted and paid to the  
479 authority. For the purpose of evaluation of any such special capital  
480 reserve fund, obligations acquired as an investment for any such fund  
481 shall be valued at market. Nothing contained in this section shall  
482 preclude the authority from establishing and creating other debt  
483 service reserve funds in connection with the issuance of bonds or notes  
484 of the authority which are not special capital reserve funds. Subject to  
485 any agreement or agreements with holders of outstanding notes and  
486 bonds of the authority, any amount or amounts allotted and paid to  
487 the authority pursuant to this section shall be repaid to the state from  
488 moneys of the authority at such time as such moneys are not required  
489 for any other of its corporate purposes and in any event shall be repaid  
490 to the state on the date one year after all bonds and notes of the  
491 authority theretofore issued on the date or dates such amount or  
492 amounts are allotted and paid to the authority or thereafter issued,  
493 together with interest on such bonds and notes, with interest on any  
494 unpaid installments of interest and all costs and expenses in  
495 connection with any action or proceeding by or on behalf of the  
496 holders thereof, are fully met and discharged. No bonds secured by a  
497 special capital reserve fund shall be issued to pay project costs unless  
498 the authority is of the opinion and determines that revenues pledged  
499 to secure such bonds shall be sufficient to (A) pay the principal of and  
500 interest on the bonds issued to finance the project, (B) establish,  
501 increase and maintain any reserves deemed by the authority to be  
502 advisable to secure the payment of the principal of and interest on  
503 such bonds, (C) pay the cost of maintaining the project in good repair  
504 and keeping it properly insured, and (D) pay such other costs of the  
505 project as may be required. No bonds secured by a special capital  
506 reserve fund shall be issued unless the issuance of such bonds is  
507 approved by the State Treasurer.

508 (i) Any pledge made by the authority shall be valid and binding  
509 from the time when the pledge is made, and the revenues or property  
510 so pledged and thereafter received by the authority shall immediately



511 be subject to the lien of such pledge without any physical delivery  
512 thereof or further act. The lien of any such pledge shall be valid and  
513 binding as against all parties having claims of any kind in tort,  
514 contract, or otherwise against the authority, irrespective of whether  
515 such parties have notice thereof. Neither the resolution nor any other  
516 instrument by which a pledge is created need be recorded.

517 (j) The authority shall have power out of any funds available  
518 therefor to purchase bonds or notes of the authority or the state issued  
519 pursuant to this section and section 6 of this act. The authority may  
520 hold, pledge, cancel or resell such bonds, subject to and in accordance  
521 with agreements with bondholders.

522 (k) Whether or not the notes and bonds are of such form and  
523 character as to be negotiable instruments under the terms of the  
524 Uniform Commercial Code, the notes and bonds are hereby made  
525 negotiable instruments within the meaning of and for all purposes of  
526 the Uniform Commercial Code, subject only to the provisions of the  
527 notes and bonds for registration.

528 (l) Any moneys held by the authority with respect to the state's  
529 ports, or by a trustee pursuant to a trust indenture, subject to the  
530 provisions of such indenture, including proceeds from the sale of any  
531 bonds and notes, and revenues, receipts and income from the  
532 operation of such ports, may be invested and reinvested in such  
533 obligations, securities and other investments, including, without  
534 limitation, participation certificates in the Short Term Investment Fund  
535 created in section 3-27a of the general statutes, or deposited or  
536 redeposited in such bank or banks, all as shall be authorized by the  
537 authority in the proceedings authorizing the issuance of the bonds and  
538 notes.

539 (m) For the purposes of sections 1 to 9, inclusive, of this act, the  
540 costs of the project payable out of the proceeds of bonds issued  
541 pursuant to this section shall include: (1) Expenses and obligations  
542 incurred for labor and materials in connection with the construction of

543 the project; (2) the cost of acquiring by purchase, if such purchase shall  
544 be deemed expedient, and the amount of any award or final judgment  
545 in any proceedings to acquire by condemnation, such land, property  
546 rights, rights-of-way, franchises, easements and other interests in land  
547 as may be deemed necessary or convenient in connection with such  
548 construction or with the operation of the project, and the amount of  
549 any damages incident thereto; (3) the costs of all machinery and  
550 equipment acquired in connection with the project; (4) reserves for the  
551 payment of the principal of and interest on any notes and bonds issued  
552 pursuant to this section and section 6 of this act, and interest accruing  
553 on any such notes, during construction of the project and for six  
554 months after completion of such construction; (5) initial working  
555 capital, expenses of administration properly chargeable to the  
556 construction or acquisition of the project, legal, architectural and  
557 engineering expenses and fees, costs of audits, costs of preparing and  
558 issuing any notes and bonds pursuant to this section and section 6 of  
559 this act; and (6) all other items of expense not elsewhere specified  
560 incident to the planning, acquisition and construction of the project or  
561 of the placing of the same in operation.

562 (n) For purposes of sections 1 to 9, inclusive, of this act, the term  
563 "project" shall refer to the renovations and improvements to be  
564 acquired and constructed at the authority's facilities as may be  
565 specified from time to time by the board in a resolution as  
566 contemplated by subsection (a) of this section.

567 Sec. 6. (NEW) (*Effective July 1, 2013*) (a) Any bonds issued by the  
568 Connecticut State-Wide Port Authority under sections 1 to 9, inclusive,  
569 of this act, or the state under the provisions of section 5 of this act, and  
570 at any time outstanding may at any time be refunded by the authority  
571 by the issuance of its refunding bonds in such amounts as the  
572 authority may deem necessary, but not exceeding an amount sufficient  
573 to refund the principal of the bonds to be so refunded, any unpaid  
574 interest thereon and any premiums, related termination payments and  
575 commissions necessary to be paid in connection therewith and to pay

576 costs and expenses which the authority may deem necessary or  
577 advantageous in connection with the authorization, sale and issuance  
578 of refunding bonds. Any such refunding may be effected whether the  
579 bonds to be refunded shall have matured or shall thereafter mature.  
580 All refunding bonds issued hereunder shall be payable and shall be  
581 subject to and may be secured in accordance with the provisions of  
582 section 5 of this act.

583 (b) Whenever the authority has adopted a resolution authorizing  
584 bonds pursuant to section 5 of this act, the authority may, pending the  
585 issue of such bonds, issue temporary notes and any renewals thereof in  
586 anticipation of the proceeds from the sale of such bonds, which notes  
587 and any renewals thereof shall be designated "Bond Anticipation  
588 Notes". Such portion of the proceeds from the sale of such bonds as  
589 may be so required shall be applied to the payment of the principal of  
590 and interest on any such bond anticipation notes which have been  
591 issued. The principal of and interest on any bond anticipation notes  
592 issued pursuant to this subsection may be repaid from pledged  
593 revenues or other receipts, funds or moneys pledged to the repayment  
594 of the bonds in anticipation of which the bond anticipation notes are  
595 issued, to the extent not paid from the proceeds of renewals thereof or  
596 of the bonds.

597 Sec. 7. (NEW) (*Effective July 1, 2013*) (a) It is hereby determined that  
598 the purposes of sections 1 to 9, inclusive, of this act are public purposes  
599 and that the Connecticut State-Wide Port Authority will be performing  
600 an essential governmental function in the exercise of the powers  
601 conferred upon it hereunder. The state covenants with the purchasers  
602 and all subsequent holders and transferees of notes and bonds issued  
603 by the authority under sections 1 to 9, inclusive, of this act, in  
604 consideration of the acceptance of and payment for the notes and  
605 bonds, that the principal and interest of such notes and bonds shall at  
606 all times be free from taxation, except for estate and gift taxes, imposed  
607 by the state or by any political subdivision thereof but the interest on  
608 such notes and bonds shall be included in the computation of any

609 excise or franchise tax. The authority is authorized to include this  
610 covenant of the state in any agreement with the holder of such notes or  
611 bonds. Any notes or bonds issued by the authority pursuant to  
612 sections 1 to 9, inclusive, of this act may be issued on a basis that  
613 provides that the interest thereon is intended to be exempt or not to be  
614 exempt from federal income taxation, as may be determined by the  
615 authority.

616 (b) Bonds issued under the authority of sections 1 to 9, inclusive, of  
617 this act are hereby made securities in which all public officers and  
618 public bodies of the state and its political subdivisions, all insurance  
619 companies, credit unions, building and loan associations, investment  
620 companies, banking associations, trust companies, executors,  
621 administrators, trustees and other fiduciaries and pension, profit-  
622 sharing and retirement funds may properly and legally invest funds,  
623 including capital in their control or belonging to them. Such bonds are  
624 hereby made securities which may properly and legally be deposited  
625 with and received by any state or municipal officer or any agency or  
626 political subdivision of the state for any purpose for which the deposit  
627 of bonds or obligations of the state is now or may hereafter, be  
628 authorized by law.

629 Sec. 8. (NEW) (*Effective July 1, 2013*) (a) Notwithstanding any  
630 provision of the general statutes, and subject to any resolution  
631 authorizing the issuance of bonds pursuant to section 5 of this act, the  
632 Connecticut State-Wide Port Authority is authorized to fix, revise,  
633 charge and collect rates, rents, fees and charges for the use of and for  
634 the services furnished or to be furnished by the facilities of the  
635 authority and to contract with any person, partnership, association or  
636 corporation, or other body, public or private, in respect thereof. Such  
637 rates, rents, fees and charges shall be fixed and adjusted in respect of  
638 the aggregate of rates, rents, fees and charges from the operation of the  
639 authority's facilities so as to provide funds sufficient with other  
640 revenues or moneys available therefor, if any, (1) to pay the cost of  
641 maintaining, improving, repairing and operating the facilities of the

642 authority and each and every portion thereof, to the extent that the  
643 payment of such cost has not otherwise been adequately provided for,  
644 (2) to pay the principal of and the interest on any outstanding revenue  
645 obligations of the authority, including obligations of the state that may  
646 be assumed by the authority, issued in respect of the project as the  
647 same shall become due and payable, and (3) to create and maintain  
648 reserves and sinking funds required, permitted or provided for in any  
649 resolution authorizing, or trust agreement securing, such obligations.  
650 A sufficient amount of the revenues as may be necessary to pay the  
651 cost of maintenance, repair and operation and to provide reserves and  
652 for renewals, replacements, extensions, enlargements and  
653 improvements, as may be provided for in the resolution authorizing  
654 the issuance of any bonds or in the trust agreement securing the same,  
655 shall be set aside at such regular intervals as may be provided in such  
656 resolution or trust agreement in a reserve, sinking or similar fund. The  
657 use and disposition of moneys to the credit of such reserve, sinking or  
658 similar fund shall be subject to the provisions of the resolution  
659 authorizing the issuance of such bonds or of such trust agreement.

660 (b) The authority shall designate the beginning and ending dates of  
661 the fiscal year for the operation of the authority's facilities. Each year,  
662 within thirty days prior to the beginning of the next ensuing fiscal  
663 year, the authority shall approve an annual operating budget for the  
664 authority's facilities providing for (1) payment of the costs of  
665 maintaining, repairing and operating the authority's facilities and each  
666 and every portion thereof during such fiscal year, to the extent that the  
667 payment of such costs has not otherwise been adequately provided for,  
668 (2) the payment of the principal of and interest on any outstanding  
669 revenue obligations of the authority, including obligations of the state  
670 that may be assumed by the authority, becoming due and payable in  
671 such fiscal year, and (3) the creation and maintenance of reserves and  
672 sinking funds, and compliance with rate covenants, required,  
673 permitted or provided for in any resolution authorizing, or trust  
674 agreement securing, such obligations. Such annual operating budget  
675 shall include an estimate of revenues from the rates, rents, fees and

676 charges fixed by the authority pursuant to subsection (a) of this  
677 section, and from any and all other sources, to meet the estimated  
678 expenditures of the authority's facilities for such fiscal year. The  
679 annual operating budget of the authority's facilities as so approved  
680 shall take effect as of the date of its approval. On or before the  
681 twentieth day of each month, including the month next preceding the  
682 first month of the fiscal year to which the annual operating budget  
683 applies, the authority or the trustee under any trust indenture securing  
684 the bonds issued under section 5 of this act, at the direction of the  
685 authority, shall transfer to operating advance accounts established by  
686 the authority from the funds available for such purpose such amount  
687 as may be necessary to make the amount then held within such  
688 accounts for the payment of operating expenses of the authority's  
689 facilities equal to such amount as shall be necessary for the payment of  
690 such operating expenses during the next ensuing two months, as  
691 shown by the annual operating budget for such fiscal year. Except as  
692 otherwise provided in sections 1 to 9, inclusive, of this act, either  
693 expressly or by implication, all provisions of the general statutes  
694 governing state employees and state property, and all other provisions  
695 of the general statutes applicable to the authority's facilities, shall  
696 continue in effect. All pension, retirement or other similar benefits  
697 vested or acquired at any time before or after July 1, 1981, with respect  
698 to any state employees shall continue unaffected and as if the salaries  
699 and wages of such employees continued to be paid out of the general  
700 funds of the state.

701       Sec. 9. (NEW) (*Effective July 1, 2013*) The state of Connecticut does  
702 hereby pledge to and agree with the holders of any bonds and notes  
703 issued under sections 1 to 9, inclusive, of this act, and with those  
704 parties who may enter into contracts with the Connecticut State-Wide  
705 Port Authority pursuant to the provisions of sections 1 to 9, inclusive,  
706 of this act that the state will not limit or alter the rights hereby vested  
707 in the authority until such obligations, together with the interest  
708 thereon, are fully met and discharged and such contracts are fully  
709 performed on the part of the authority, provided nothing contained

710 herein shall preclude such limitation or alteration if and when  
711 adequate provision shall be made by law for the protection of the  
712 holders of such bonds and notes of the authority or those entering into  
713 such contracts with the authority. The authority is authorized to  
714 include this pledge and undertaking for the state in such bonds and  
715 notes or contracts.

716 Sec. 10. Subsection (l) of section 1-79 of the general statutes is  
717 repealed and the following is substituted in lieu thereof (*Effective July*  
718 *1, 2013*):

719 (l) "Quasi-public agency" means Connecticut Innovations,  
720 Incorporated, and the Connecticut Health and Education Facilities  
721 Authority, Connecticut Higher Education Supplemental Loan  
722 Authority, Connecticut Housing Finance Authority, Connecticut  
723 Housing Authority, Connecticut Resources Recovery Authority, Lower  
724 Fairfield County Convention Center Authority, Capital Region  
725 Development Authority, Connecticut Lottery Corporation, Connecticut  
726 Airport Authority, Health Information Technology Exchange of  
727 Connecticut, Connecticut Health Insurance Exchange, [and] Clean  
728 Energy Finance and Investment Authority and Connecticut State-Wide  
729 Port Authority.

730 Sec. 11. Subdivision (1) of section 1-120 of the general statutes is  
731 repealed and the following is substituted in lieu thereof (*Effective July*  
732 *1, 2013*):

733 (1) "Quasi-public agency" means Connecticut Innovations,  
734 Incorporated, and the Connecticut Health and Educational Facilities  
735 Authority, Connecticut Higher Education Supplemental Loan  
736 Authority, Connecticut Housing Finance Authority, Connecticut  
737 Housing Authority, Connecticut Resources Recovery Authority,  
738 Capital Region Development Authority, Connecticut Lottery  
739 Corporation, Connecticut Airport Authority, Health Information  
740 Technology Exchange of Connecticut, Connecticut Health Insurance  
741 Exchange, [and] Clean Energy Finance and Investment Authority and

742 Connecticut State-Wide Port Authority.

743 Sec. 12. Section 1-124 of the general statutes is repealed and the  
744 following is substituted in lieu thereof (*Effective July 1, 2013*):

745 (a) Connecticut Innovations, Incorporated, the Connecticut Health  
746 and Educational Facilities Authority, the Connecticut Higher  
747 Education Supplemental Loan Authority, the Connecticut Housing  
748 Finance Authority, the Connecticut Housing Authority, the  
749 Connecticut Resources Recovery Authority, the Health Information  
750 Technology Exchange of Connecticut, the Connecticut Airport  
751 Authority, the Capital Region Development Authority, the  
752 Connecticut Health Insurance Exchange, [and] the Clean Energy  
753 Finance and Investment Authority and the Connecticut State-Wide  
754 Port Authority shall not borrow any money or issue any bonds or  
755 notes which are guaranteed by the state of Connecticut or for which  
756 there is a capital reserve fund of any kind which is in any way  
757 contributed to or guaranteed by the state of Connecticut until and  
758 unless such borrowing or issuance is approved by the State Treasurer  
759 or the Deputy State Treasurer appointed pursuant to section 3-12. The  
760 approval of the State Treasurer or said deputy shall be based on  
761 documentation provided by the authority that it has sufficient  
762 revenues to (1) pay the principal of and interest on the bonds and notes  
763 issued, (2) establish, increase and maintain any reserves deemed by the  
764 authority to be advisable to secure the payment of the principal of and  
765 interest on such bonds and notes, (3) pay the cost of maintaining,  
766 servicing and properly insuring the purpose for which the proceeds of  
767 the bonds and notes have been issued, if applicable, and (4) pay such  
768 other costs as may be required.

769 (b) To the extent Connecticut Innovations, Incorporated, and the  
770 Connecticut Higher Education Supplemental Loan Authority,  
771 Connecticut Housing Finance Authority, Connecticut Housing  
772 Authority, Connecticut Resources Recovery Authority, Connecticut  
773 Health and Educational Facilities Authority, the Health Information  
774 Technology Exchange of Connecticut, the Connecticut Airport



775 Authority, the Capital Region Development Authority, the  
776 Connecticut Health Insurance Exchange, [or] the Clean Energy Finance  
777 and Investment Authority or the Connecticut State-Wide Port  
778 Authority is permitted by statute and determines to exercise any  
779 power to moderate interest rate fluctuations or enter into any  
780 investment or program of investment or contract respecting interest  
781 rates, currency, cash flow or other similar agreement, including, but  
782 not limited to, interest rate or currency swap agreements, the effect of  
783 which is to subject a capital reserve fund which is in any way  
784 contributed to or guaranteed by the state of Connecticut, to potential  
785 liability, such determination shall not be effective until and unless the  
786 State Treasurer or his or her deputy appointed pursuant to section 3-12  
787 has approved such agreement or agreements. The approval of the State  
788 Treasurer or his or her deputy shall be based on documentation  
789 provided by the authority that it has sufficient revenues to meet the  
790 financial obligations associated with the agreement or agreements.

791 Sec. 13. Section 1-125 of the general statutes is repealed and the  
792 following is substituted in lieu thereof (*Effective July 1, 2013*):

793 The directors, officers and employees of Connecticut Innovations,  
794 Incorporated, and the Connecticut Higher Education Supplemental  
795 Loan Authority, Connecticut Housing Finance Authority, Connecticut  
796 Housing Authority, Connecticut Resources Recovery Authority,  
797 including ad hoc members of the Connecticut Resources Recovery  
798 Authority, Connecticut Health and Educational Facilities Authority,  
799 Capital Region Development Authority, the Health Information  
800 Technology Exchange of Connecticut, Connecticut Airport Authority,  
801 Connecticut Lottery Corporation, Connecticut Health Insurance  
802 Exchange, [and] the Clean Energy Finance and Investment Authority  
803 and the Connecticut State-Wide Port Authority and any person  
804 executing the bonds or notes of the agency shall not be liable  
805 personally on such bonds or notes or be subject to any personal  
806 liability or accountability by reason of the issuance thereof, nor shall  
807 any director or employee of the agency, including ad hoc members of

808 the Connecticut Resources Recovery Authority, be personally liable for  
 809 damage or injury, not wanton, reckless, wilful or malicious, caused in  
 810 the performance of his or her duties and within the scope of his or her  
 811 employment or appointment as such director, officer or employee,  
 812 including ad hoc members of the Connecticut Resources Recovery  
 813 Authority. The agency shall protect, save harmless and indemnify its  
 814 directors, officers or employees, including ad hoc members of the  
 815 Connecticut Resources Recovery Authority, from financial loss and  
 816 expense, including legal fees and costs, if any, arising out of any claim,  
 817 demand, suit or judgment by reason of alleged negligence or alleged  
 818 deprivation of any person's civil rights or any other act or omission  
 819 resulting in damage or injury, if the director, officer or employee,  
 820 including ad hoc members of the Connecticut Resources Recovery  
 821 Authority, is found to have been acting in the discharge of his or her  
 822 duties or within the scope of his or her employment and such act or  
 823 omission is found not to have been wanton, reckless, wilful or  
 824 malicious.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2013	New section
Sec. 2	July 1, 2013	New section
Sec. 3	July 1, 2013	New section
Sec. 4	July 1, 2013	New section
Sec. 5	July 1, 2013	New section
Sec. 6	July 1, 2013	New section
Sec. 7	July 1, 2013	New section
Sec. 8	July 1, 2013	New section
Sec. 9	July 1, 2013	New section
Sec. 10	July 1, 2013	1-79(l)
Sec. 11	July 1, 2013	1-120(1)
Sec. 12	July 1, 2013	1-124
Sec. 13	July 1, 2013	1-125

**Statement of Legislative Commissioners:**

In section 2(a)(7)(11)(12)(13)(14) and (15), technical revisions were made for statutory consistency.

**CE**      *Joint Favorable Subst. -LCO*